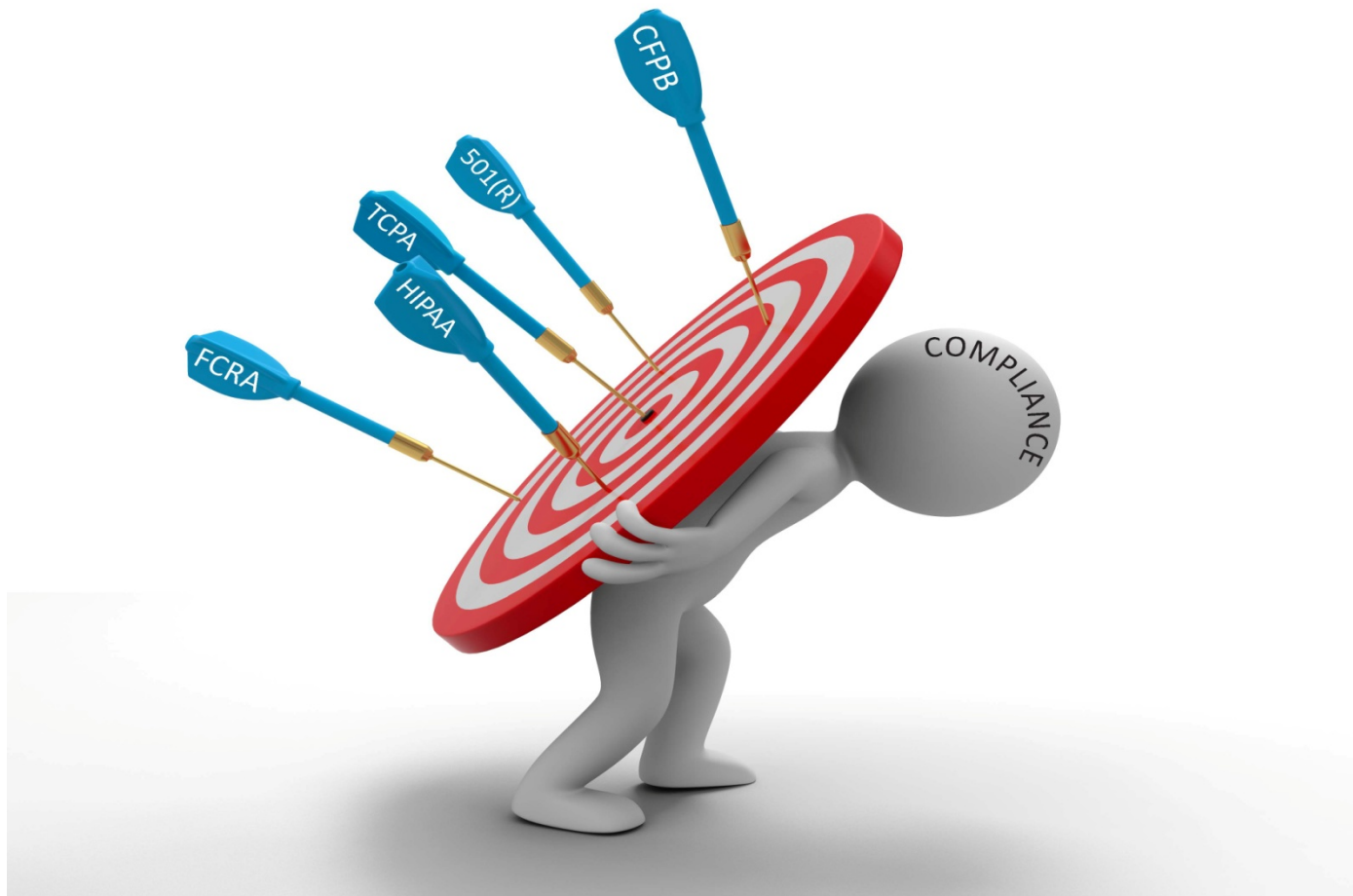


# Compliance Issues Facing the Medical Collection Industry



# Presented By

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# Presentation Statement

Any content included in this presentation or discussed during this session (“content”) is presented for educational purposes only. *I am not an attorney*. I may reference laws and actual cases; however, the content and delivery is my opinion and is not intended to be a full and exhaustive explanation of the law in any area.

Please refer any consideration of changing your existing policies and procedures to your corporate counsel.

This session will review compliance concerns; however, the discussion will concentrate on the suggested communication between the facility and the vendor in order to streamline the necessary processes to comply.

# Compliance Concerns

- 501 (r) Regulations
- Telephone Consumer Protection Act (TCPA)
- Consumer Financial Protection Bureau (CFPB)
- Fair Credit Reporting Act (FCRA)
- Health Insurance Portability and Accountability Act (HIPAA)

# 501 (r) / ECA Discussion Topics

## **501 (r): is an IRS concern and is only applicable for Non-Profits.**

1. Did facility provide FAP information to patient and guarantor (if applicable) before sending for ECA?
  - a) Written Application
  - b) Presumptive Application
2. What method was used in calculating amount owed by patient outlining amount due?
  - a) AGB / Amounts Generally Billed
  - b) Look back method
3. Can facility provide date patient / guarantor first billed? (Clock starts ticking)
4. Clear processes in place for recalling, holding patients that request FAP between days 120-240 when with agency
5. Patients have ability to apply and qualify for financial assistance after payment has been made (how are fee adjustments made?)
6. Credit Reporting while under FAP / requirements
7. Important to understand client policies and procedures

# 501(r) Vendor Keys to Success

## Communication

- a) Notification of first billing date to agency
- b) Updating information for credit reporting
- c) Who handles FAP once in OCA / Process?
- d) Updates in litigation process
- e) Notification of FAP/close/hold/policy

# Telephone Consumer Protection Act (TCPA)

The TCPA was passed for consumers who were receiving unwanted telemarketing calls. The FCC has extended coverage to all calls that are generated by an Automated Telephone Dialing System (ATDS).

This does not only include vendors but creditors.



# TCPA Discussion Points

- What is consent?
- What is not consent?
- What is revocation?
- How do we handle verbal revocation?
- Do you use text and is it in your consent?
- Do you use email and is it in your consent?

# Consumer Financial Protection Bureau (CFPB)

## 1. Oversight of medical facilities

- Auditing of vendors
- FCRA concerns
- Patient education
  - Financial literacy
  - Understanding of EOB and amount due

## 2. UDAAP

- Patients treated equally
- Patient understanding of financial responsibility

# Fair Credit Reporting Act (FCRA)

Credit Bureau Concerns

Consumer Financial Protection Bureau Concerns

- Balances of accounts that have a negative affect on credit scores
- Number of accounts reported at one time
- 501(r) regulations followed before credit reporting / 120 days
- Number of disputed accounts and requirement of validation
- 1/3 of accounts reported to credit bureau are under \$100.00
- Receipt of timely validation request under FCRA
- Lack of credit bureaus reporting timely of updates sent by credit reporting agencies

# Credit Reporting Agency Concerns

New Rule making will change face of industry

- Legal action against agency
- Reporting of wrong information
- 501(r) extraordinary collection efforts time frame 120 days from first billing notice sent to consumer
- Not updating or reporting adjustments, charity write-offs and/or payments to facility
- Reporting multiple accounts
- Dispute resolution time frame

# Changes in Reporting to Credit Bureaus

Changes are scheduled to be completed by mid 2016 and they include the following for reporting debt to the credit bureau.

1. Cannot be reported until 180 days past date of first delinquency.
2. Delete all reported records on those accounts that are paid by insurance (not consumer /?)
3. Is considering submission requirements of
  - a) Complete name (First, MI, Last)
  - b) Address
  - c) Social Security number (SSN)
  - d) Date of Birth (DOB)
  - e) Additional information will be forthcoming

# Health Portability and Accountability Act (HIPAA)

The protection of individually identifiable health information that is transmitted or maintained in any form or medium. The privacy rules affect the day-to-day business operations of all organizations that provide medical care and maintain personal health information.

# HIPAA Discussion

Client/Facility controls:

1. A strong Business Agreement (BA Agreement) between facility and agency
2. Periodic auditing of Agency compliance with BA Agreement
3. Open communication between facility and vendor
4. Signed certificates of HIPPA training from all vendors handling facility information
5. Ensure all transfer of information is MASKED

# Effect Compliance has on Facility and Agency

- Make sure facility and agency on same page concerning 501(r)
- Each facility may have different interpretations of 501(r)
- CFPB important to provide timely validation of debt or agency will have to close account, causing lost opportunity (loss of income to facility)
- Patient understanding of services rendered
- Improper credit reporting causes increased risks, costs, time and reputation of both agency and facility
- Information transfer concerns include facility changing format or record layout and not notifying vendor
- Any mistakes made may cause a HIPAA violation



**QUESTIONS**